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TO: Klete Geren, ASA MAAA Actuary
Iowa Insurance Division

FROM: Arthur Lucker, FSA, MAAA

DATE: October 29, 2012

SUBJECT: Time Insurance Company/John Alden Life Insurance Company
Individual Major Medical Forms TIM CER.IA, JIM CER.IA, 227,244,554,380 and 397
SERFF Tracking Number: ASWX-G128629843/ASWX-G128629863

Time Insurance Company (TIC) and John Alden Life Insurance Company (JALIC) have filed for approval of a rate revision of 9.0% for the subject forms.

In the filing, TIC and JALIC have included the proposed rate schedules and a supporting actuarial memorandum. In the actuarial memorandum, TIC and JALIC have included a description of the assumptions underlying the projection of future experience, historical Iowa experience and a projection of future Iowa experience.

INS has reviewed the submission in its entirety. Based on that review, we have concluded that the assumptions underlying the projection are reasonable and that the approach used to develop the projection is consistent with accepted actuarial methods. Also, INS has performed its own projection of Iowa future experience. INS' projection of Iowa experience was based on a 14.7% annual trend assumption and an annual persistency rate of 78.5%. INS's projection of Iowa experience produced a loss ratio of 83% for the review period, January 2013 through December 2013, and a loss ratio of 74.8% for the period January 2005 through December 2013.

Based on the loss ratios obtained from our projection of future experience, INS suggests the 9.0% rate revision appears actuarially justified.

If you have any questions or would like additional information, please do not hesitate to call or e-mail.

Arthur Lucker, FSA, MAAA